



STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
DIVISION OF MENTAL RETARDATION SERVICES
ANDREW JACKSON BUILDING, 15TH FLOOR
500 DEADERICK STREET
NASHVILLE, TN 37243

July 28, 2006

Dear Provider of Nursing Services:

The Centers for Medicare and Medicaid Services recently approved amendments to the Medicaid Home and Community Based Services (HCBS) waiver programs through which community services are provided to individuals with mental retardation. This letter will provide clarification regarding how Individual Support Plans (ISP's) and Cost Plans will be handled. A table of the waiver changes is enclosed.

The most significant waiver amendment related to Nursing Services involves a change in the service unit from "per hour" to "per 15 minutes". While the effective date for implementation of this change is July 1, 2006, we are unable to immediately make the changes needed to Cost Plans and electronic billing for Nursing Services.

During the 3rd week of September, the Information Technology staff of the Division of Mental Retardation Services (DMRS) will perform an electronic conversion of Cost Plans and the DMRS billing system retroactive to July 1, 2006, converting service units in approved Cost Plans and service units which have already been billed.

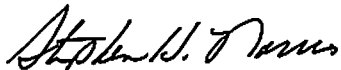
- For any ISP submitted to the Regional Office but not yet processed in the system before the date of the electronic conversion, the Regional Office will manually convert the Services and Supports section of the ISP to the new service units before entering the information into the DMRS Cost Plan and billing system. During the period April through June of 2007, providers of Nursing Services may have to submit amended claims for July and August to reconcile any differences between the reimbursements based on the "per 15 minutes" service unit versus the "per hour" service unit.
- For any ISP submitted to the Regional Office between the date of the electronic conversion and October 1, 2006, the Regional Office will manually convert the Services and Supports section of the ISP to the new service units before entering the information into the DMRS Cost Plan and billing system.
- **All ISP's submitted to the Regional Office on or after October 1, 2006, will be required to be submitted using the new "per 15 minutes" service units.**

While this memo focuses on the process for handling changes resulting from the amendments to the Medicaid HCBS waivers, the same policies would apply to equivalent services state-funded by DMRS. The specific cost centers for the state-funded services, however, are not addressed in this memo.

July 28, 2006
Page 2

If you have any questions, you may contact Marlenia Overholt, Director of Nursing, at (615) 253-6095.

Sincerely,



Stephen H. Norris
Deputy Commissioner

SHN:wlm

Enclosure

CC: Marlenia Overholt
Larry Latham, Ph.D.
Joanna Damons
Fred Hix
Lucia Beiler
Barbara Charlet
Karen Carothers

Adadot Hayes, M.D.
Louis Moore, M.D.
Pat Nichols
Kathleen Clinton
John Craven
Cate Newbanks

Waiver Service	Cost Center			Service Unit	Maximum Rate	Comment
	Statewide	Self Determination	Arlington			
Nursing Services - RN	6N611	9N611	6N611Q	Per 15 minutes	\$8.43	<p>All ISP's <u>submitted</u> to the Regional Office on or after October 1, 2006, will be required to be submitted using the new "per 15 minutes" service unit instead of "per hour".</p> <p>Prior to October 1, 2006, continue to use the "per hour" service unit. (July and August billing will have to be reconciled later.)</p>
Nursing Services - LPN	6N711	9N711	6N711Q	Per 15 minutes	\$5.94	<p>All ISP's <u>submitted</u> to the Regional Office on or after October 1, 2006, will be required to be submitted using the new "per 15 minutes" service unit instead of "per hour".</p> <p>Prior to October 1, 2006, continue to use the "per hour" service unit. (July and August billing will have to be reconciled later.)</p>